

Supplier Diversity Council Meeting 9/19/2011 Called to order by Cleon Cauley at 3:10pm

In attendance - L. Jay Burks, Cathy Imburgia, Ken Anderson, Ron Frazier

phone: Clay Hammond, Cleon Cauley, Nick Collazzo, Dean Stotler, (not present , Pam Drapier , Ron Tutundji, Sakthi Vel, Devona Williams, Fernando Guajardo)

Chair address

Cleon Cauley resigned as Chair of Council

Cleon Cauley – Identified the need for a representative from the Governor’s office

Cathy Imburgia – Recommended Brian Selander from the Governor’s Office. She also mentioned the importance leveraging DelDOT’s DBE program and

L. Jay Burks – Discussed the shared initiatives with DelDOT and the increase in transparency.

Clay Hammond – Stressed the importance of continued articulation of supplier diversity initiatives in Cabinet meetings.

Ron Frazier – Inquired about administrative support for Council

Dean Stotler – Identified Jean Stevenson as being able to provide administrative support for Council.

L. Jay Burks – Discussed agenda items about Council’s mission, objectives and vision and developing strategic plan

Nick Collazzo – Asked if Council ever developed strategic plan

Cleon Cauley – The original drive of the council was based specifically on original executive order which created the SDC report posted on the OMWBE web site.

L. Jay Burks – Recommended developing a strategic plan and supplier diversity scorecard based on the Small business Administration’s strategic plan. The attendees received a draft and Jay said he will email the team after the meeting.

FY11 MWBE Report - Executive Summary

- There was an approximate increase of 29% of the number of minority and women businesses that have received direct monies from the State from FY10 to FY11. This represents an approximate increase of 50 MWBEs.
- There was an approximate increase of 30% of minority and women business direct spend, which is defined as direct monies paid to a MWBE excluding subcontracting monies, from FY10 to FY11. Which is approximately \$12.3 million.
- In FY11 48% or 131 of the total MWBE vendors increased direct contracted business revenues from the State compared to FY10;
- In FY11 54 or 23% of the MWBE vendors represented new businesses compared to FY10;
- In FY11 Government Support Services (GSS) MWBE direct spend under contract increased by approximately \$7.6 million or 220%.

Purchasing council update

Dean Stotler informed the Council that the purchasing committee recommended to the purchasing council to increase the threshold for public works from \$50,000 - \$100,000. As a result this will allow flexibility to utilize minority and women businesses for the under threshold projects and it will also afford the flexibility with bonding requirements.

This will also increase the opportunity with the school districts based on the growth of opportunities in budget

Supplier Diversity sustainability and presence

L. Jay Burks – Suggested with the creation of the supplier diversity scorecard and strategic plan this will strengthen the sustainability and presence.

Ken Anderson – Mentioned the hosting another minority summit and stressed the importance of significant events to drive demand for the forum, such as the amended executive order and the proposed increase in public works thresholds.

Training – internal/external

L. Jay Burks – Discussed the recommended Government Support Services - Open house training. He also expressed a concern on how to segment the training based on industries.

L. Jay Burks - Mentioned the Delaware State University Training – 11.4.11 – How to do business with State and Delaware State University. Jay also mentioned attending a PTAC training with contract officer to develop a unique training targeted towards vendors interested in doing business with State.

Dean Stotler – Identified the development of the internal training for state employees on contracting/procurement. He also highlighted the inclusion of the fiscal departments that generally process the documents for the under threshold/non advertised opportunities.

L. Jay Burks – Reemphasized the recommendations from the FY11 MWBE report, where it was recommended that fiscal work closely with OMWBE.

Data Collection

L. Jay Burks – Still expressed concerns over the challenges in collecting data of all certified businesses.

- Referenced the D&B analysis which identified 36 veteran owned businesses from the Government Support Services central vendor contract list.
- Veteran owned business analysis based on data from self-certifying W-9 form

Nick Collazo – Expressed concern about the certification process with veterans and explained how some of his veteran owned businesses have refused to go through the process.

Ron Frazier – Confirmed how difficult and arduous the process to certify as a veteran owned business.

Dean Stotler – Warned about the validity of the D&B information

Nick Collazzo – Recommend focus groups and identifying barriers and inquired if the State has ever done this.

Ken Anderson - Discussed the MWBE summit, which was based on information solicited from the MWBE business community. He said needs analysis and focus groups are a continual process.

Other Business -

Cathy Imburgia – Raised the concern about subcontractors for professional contractors not receiving complete agreed upon payment. She also mentioned the unintended consequences prime vendors may be putting on sub consultants such as non compete and non-disclosure statements.

Ken Anderson - Discussed the process of the federal government and how they ensure the transparency and enforcement of prime contractors subcontracting/consulting plan.

L. Jay Burks – Confirmed the request for subcontracting information in Government Support Services, but this not the state standard.

Dean Stotler – Stressed the importance of the awarded contract being between the prime and vendor, not the sub consultant. He also referenced a DelDOT project where the subconsultant referenced the contract being with the prime and not the sub whereby reducing the subs liability.

Ron Frazier – Recommended there be a link to the OMWBE database with advertisements for solicitations.

Dean Stotler – Agreed to amend the announcement to included a link to the OMWBE web site

L. Jay Burks – Reminded the Council that they needed to approve minutes from 3.28.11 meeting.

Cleon Cauley - Motioned the minutes be approved from last meeting.

Ken Anderson - Seconded the motion to approve the minutes.